The economy post Covid

Four major factors driving change. We know that:

- many businesses, and jobs, can work largely online
- the economy has taken a major hit (especially some sectors) and will take a long time to re-adjust
- the need to repay the colossal sums of government support will lead to reduced public services or higher taxes, or both
- there is pressure from some activists to use the opportunity to build back 'better' / 'different'

Some forecasts suggest a 5.2% contraction in global GDP. Many countries will be facing a recession when this pandemic is over and their government support to the economy ends. This year's UK government budget deficit will reach almost £400bn, more than twice the peak recorded after the 2008 financial crisis. It has already taken government debt to more than 100 per cent of GDP, a level portrayed as apocalyptic in the somewhat fevered debates that led to "austerity" in 2010. Also, in the wake of Covid-19, there will be a long tail of joblessness, mental health issues, homelessness and bankruptcies.

While it will be hard to pick winners post covid, there are signs that:

- Businesses that use cloud computing have not buckled under the pressure of the coronavirus pandemic.
- Further automation and artificial intelligence will enhance the resilience of supply chains.
- Successful businesses will have a combination of resilience and agility.

Resilience will be at the forefront of every strategy, yet it is agility that will ensure competitiveness, and an ability to respond to the unexpected. To achieve this, businesses will have to re-evaluate where they must be strong and where they must be flexible.